
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers For Medicare &
Medicaid Services (CMS)

Transmittal AB-01-137

Date: SEPTEMBER 26, 2001

CHANGE REQUEST 1587

SUBJECT: CMS Policy for Disclosure of Individually Identifiable Information: Provider Telephone Inquiries for Medicare Eligibility Information

The purpose of this Program Memorandum (PM) is to clarify the general policy of CMS enunciated in PM AB-00-46, dated June 2000, CR 1156, regarding the disclosure of individually identifiable information acquired and maintained under authority of Title XVIII of the Social Security Act by Medicare intermediaries and carriers. This PM focuses on the specific disclosure issue of Medicare contractors releasing beneficiary eligibility information to providers by telephone, subject to ensuring the privacy protections specified in the PM.

To assist CMS in carrying out its administrative responsibilities for the Medicare program, contractors process bills for covered medical services submitted by Medicare providers. The claims payment function involves sharing beneficiary eligibility information with providers. The release of this information is allowed by the Privacy Act of 1974.

The standard method for sharing eligibility information with providers is through electronic data interchange (EDI). EDI is the most efficient and cost-effective way for you to make this eligibility information available to your providers and ensures privacy safeguards through EDI agreements that bind providers. Instructions regarding provider EDI access to limited eligibility information and the specific data elements that can be disclosed can be found in Medicare Intermediary Manual (MIM), Part 3, §3508 and Medicare Carriers Manual (MCM) Part 3, §6100.

We previously provided you with funding to develop the means for your providers to electronically query your systems for eligibility verification purposes. If you have not developed this capability, you should notify your Regional Office as to when you will have it available.

You are permitted to release eligibility information over the telephone to providers, subject to ensuring the protection of the beneficiary's privacy rights. (Note: Contractors should not automatically assume that a provider who submits claims electronically can verify eligibility electronically. For example, contractors provide free or low-cost software to some providers enabling electronic claims submission. That software, however, does not provide for electronic eligibility queries.) The eligibility information that you release by telephone is limited to only that information that would be available via EDI. You are allowed, but not required, to limit the number of inquiries per provider per call.

You may release eligibility information to providers via the telephone after validating the provider's name and number and after obtaining the following information:

- Beneficiary last name and first initial;
- Beneficiary date of birth;
- Beneficiary Health Insurance Claim (HIC) number; and,
- Beneficiary gender.

Please note that these items must match exactly.

If you currently release eligibility information via the Automated Response Unit (ARU) or Interactive Voice Response (IVR) systems, you may continue to do so under your current guidelines. You may not make any standard systems changes at this time.

Presently, we believe that most contractors are handling these inquiries in the manner outlined in this PM. For this reason, we do not anticipate that this PM will result in any new workloads for the call centers, thus no new funds will be needed. In the event that a contractor determines that the volume of these type of provider inquiries begins to make significant increases in their overall telephone inquiry volumes, they should report this finding to Central Office so that CMS can consider how to handle the increased volumes. We intend to work with the call centers to handle the increased workload by adjusting performance standards or finding other ways to handle the work without increasing budgets.

Your contract with CMS requires compliance with the Privacy Act and related regulations and manual instructions concerning disclosures. Therefore, you must have a senior official or other responsible party to address the privacy concerns of your organization, and establish an internal control system to monitor compliance. Failure to comply with CMS's disclosure policy is a violation of your contract and is subject to contractor performance evaluation (CPE) review.

For intermediaries, additional disclosure instructions for telephone requests from providers are found in the MIM, Part 3, §3765. For carriers, additional disclosure instructions for telephone requests from providers are found in the MCM, Part 3, §10021. Note that the instructions in the manuals state that contractors may not release beneficiary-specific data to providers over the telephone. This PM updates those instructions by permitting you to share beneficiary eligibility information over the telephone, subject to the circumstances and the privacy protections specified above.

The *effective date* for this PM is January 1, 2002.

The *implementation date* for this PM is January 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2003.

If you have any questions concerning *disclosure issues*, contact Robin Getzendanner at rgetzendanner@cms.hhs.gov or call 410 786-9621.

If you have any questions concerning *provider call volumes*, contact Amy Abel-Matkins at aabelmatkins@cms.hhs.gov or call 410 786-1858.